

## **Making the Most of Contractual Collaborations with Community-Based Non-Profits**

[www.ca-ilg.org/CollaborationsWithCommunity-BasedNonProfits](http://www.ca-ilg.org/CollaborationsWithCommunity-BasedNonProfits)

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### **Why work with community-based organizations?**

As resources for local agencies dwindle and the demand for services grows, public entities will out of necessity turn to other sources in the community to fill in gaps or provide for unique needs. Among the partnerships and collaborations public entities will turn to are community-based non-profit organizations.

Community-based organizations interact daily with members of the community and are often located in neighborhoods. These organizations can have unique and important insight into the challenges and opportunities facing people in the neighborhood. Frequently, staff at community-based organizations speak the language(s) of the surrounding community and of the ethnic and cultural populations being served. People in the neighborhood trust community-based organizations to understand their unique situation and to offer sound advice and appropriate services.

There are also non-profit organizations that provide other types of services like community housing developers, visitor bureaus or non-profit hospitals, to name a few. While the purpose of the organization or the scale and nature of the work may be different from organizations that provide social services to the community, the financial management and reporting will be similar as will their greater knowledge of the community.

### **Suggestions for Success**

#### **1. Determine which community-based organizations are the most appropriate partners for the service the agency is trying to deliver.**

Larger cities will have numerous community-based organizations that provide services to families in neighborhoods or that provide other non-social service/health-related services. Do some investigating to determine which of these have the strongest connections to and the most respect from the population the agency wishes to engage. In smaller communities and/or to reach a very specific ethnic or demographic group, there may be only a few organizations from which to choose or perhaps only a single organization available for partnering. If there are options, examine the pros and cons of working with each organization prior to making a

commitment. This is especially true if the contractual work is of significant size or duration.

## **2. Examine the financial status of the organization.**

When using a community-based organization to provide services or undertake a significant program, it is important to know if it has the financial capacity to sustain the effort. It is appropriate to ask to see the organization's financial statements.

These statements will help one to understand the extent to which the organization would be dependent on the agency's funding to continue its work. They also can provide insights into the stability of the organization. Another option is contacting foundations that fund the organization and talking to the program officer that oversees the grant the organization has. The foundation program officer will be able to share information about the performance of the organization in terms of delivery of services and financial management.

Another important element to evaluate prior to contracting with a community-based organization is whether it has an appropriate level of insurance, including workers' compensation coverage. The agency's risk management department will know the appropriate levels. It is good to include an agency staff person with knowledge of liability coverages in the review of potential requests for proposals and development of contracts or agreements.

## **3. Be aware of the political and public connections the organization might have.**

Many community-based organizations are visibly linked to advocacy for a particular issue or position. As a part of this, they may have relationships with public figures, ranging from informal connections to close political or other connections. It is important to understand these relationships when deciding how to work with a community-based organization. Checking with the agency's legal counsel for guidance is always a good idea.

If the agency is using an application process to determine which organization to fund, it is important to use clear criteria for selection process and provide a summary of why each applicant was or was not awarded a contract. Besides being good practice in general, using a transparent, fair and open process avoids possible political fallout if one organization is selected over another.

#### **4. Review the agency's labor agreements when evaluating whether to contract with a community-based organization for services.**

An agency's labor agreements may preclude contracting outside the agency for work that could be done by current or laid-off agency employees. Before beginning a contracting process with a community-based organization, check with the human resources department and/or legal counsel for guidance.

#### **5. The relationship with a community-based organization is different from other contractors.**

Contracting with a community-based organization to provide services is a partnership and not just a contract. This will require a different type of contract management than that used for road repair or some other task.

**a. Communication.** A clear plan for communication helps. Establish regular contact times and determine who will be doing the communicating. A process for reporting changes will also be needed. This includes changes that are coming from the agency and changes happening at the community-based organization. Shifts in requirements or changes of staff are especially important to share as soon as they are known. This gives both parties the opportunity to prepare for the impacts of the change in personnel.

Other important items to discuss on a regular basis include progress being made, insights from the work, ideas for improvement and changes in the financial status of either entity.

**b. Assessment and evaluation.** Have a clear assessment and evaluation plan in place. Build in regular reporting that accounts for more than just the amount of service provided. Include information about any significant changes in the organization including personnel and finances. Having a consistent format for applications and reporting across agency departments is helpful, since a community-based organization may have contracts with more than one department.

If the community-based organization has shortfalls in its performance, explore why. Look at such issues as changes in leadership, staff (including the need for more staff training), the financial situation, as well as changes in the surrounding community. See if the performance of the organization can be improved before ending a contract and seeking a new provider.

- c. Include staff from the community-based organization in planning the program or effort.** If the agency is considering making changes to the program, include staff from the community-based organization in the discussions and planning. They will bring a unique perspective and insight from their on-the-ground experience. Including those affected by decisions in shaping the changes will increase buy-in from those who will be performing the work.
- d. Build the capacity of the community-based organization.** Every organization benefits from training and support that expands its capacity. Community-based organizations seldom have the resources for such efforts. Investing in building the capacity of the agency's service providers will pay dividends in the long run. Services will improve, the trust between the agency and the community will improve, and the agency will be able to get more done with fewer resources once skills are enhanced.

Options include:

- i. Consider inviting (or requiring) staff from the community-based organization(s) to training sessions organized for agency staff. For example, if the agency provides training to its staff in new customer service techniques, consider inviting staff from the community-based organization to participate. Or, if the agency conducts training for new staff, consider inviting new community-based organization staff to that training.
  - ii. If the agency is sending someone to a statewide training related to the work of the community-based organization, consider inviting someone from that organization to the training.
  - iii. Consider contracting with an experienced and successful community-based organization to provide training and support to new or less experienced organizations.
  - iv. Consider using agency staff to provide training and support if the community-based organization is lacking in skills like budgeting or information technology.
- e. Develop a collaborative, collegial relationship.** Trust and mutual respect are the keys to a successful relationship between an agency and the community-based organizations with which it contracts. It takes time and effort to build trust, but once established, the work will go more smoothly and problems will be easier to solve. Part of building that trust will be establishing clear communications and expectations. Also helpful is creating an atmosphere in which staff from the community-based organization feel safe in sharing problems and difficulties. Since the agency is a source of funding, the organization may fear that sharing problems

may negatively affect funding. A collegial, collaborative relationship can help the organization solve its problems and save a valuable resource in the community.

## 6. Some things to consider about community-based organizations.

In planning how to work with community-based organizations, consider the following:

- Each community-based organization has a mission that guides its work. The work the agency asks the community-based organization to undertake should fit within its mission.
- While community-based organizations can do many things very well, they also have limits. They have smaller staff size and more limited budgets than a public agency. In developing a request for proposals or a contract with a community-based organization, keep in mind their capacity. However, they do offer greater flexibility in how a program or project is implemented.

### About the Institute for Local Government

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The Institute welcomes feedback on this resource:

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